

GENERAL TERMS AND CONDITIONS  
(Continued)

5. OVERRUN AND UNDERRUN, BALANCING AND PENALTY PAYMENTS (Continued)

5.3 Balancing: (Continued)

- (e) Imbalance Trading: At the end of each month a Receiving Party may trade its imbalance with another Receiving Party. Where an imbalance trading transaction results in an underpayment of transportation revenues to Paiute, Paiute will charge the amount of the underpayment to the Receiving Party who is responsible for the underpayment. Where an imbalance trading transaction results in an overpayment of transportation revenues to Paiute, Paiute will credit or refund the amount of the overpayment to the Receiving Party who made the overpayment. Any trading of Receiving Party imbalances must result in each Receiving Party's imbalance decreasing, but not beyond a zero imbalance level.
- (1) All imbalance trading will be conducted through Paiute's Internet website. If a Receiving Party desires to trade an imbalance, such Receiving Party must consent to Paiute's release of necessary information regarding the imbalance.
  - (2) Receiving Parties that trade imbalances are responsible for making whatever arrangements they deem necessary to finalize and document the imbalance trade between them.
  - (3) Paiute will not be responsible for eliminating any imbalances between Receiving Party and any third party. Furthermore, Paiute will not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.
  - (4) Paiute will provide notice of a Receiving Party's previous month's cumulative monthly imbalance no later than the 9th Business Day of the month. All imbalance trading must occur between the 9<sup>th</sup> and the 17<sup>th</sup> Business Day of the month.
  - (5) For purposes of trading imbalances between the system and the Adobe Lateral at Delivery Location 8 - Adobe, the trade shall be adjusted for the difference between the system-wide Gas Used by Paiute percentage and the lost and unaccounted for gas percentage on the Adobe Lateral at Delivery Location 8 - Adobe for the month preceding the month in which the imbalance trade occurs.

5.4 General Provisions:

- (a) Scheduling Overrun, Scheduling Underrun and balancing penalties will be levied by Paiute against the Receiving Party into whose facilities gas is delivered.